

## STATE PROPERTIES COMMITTEE

Tuesday, December 21, 2004

The meeting of the State Properties Committee was called to order at 10:06 A.M. by Chairman Jerome F. Williams. Other members present were, Genevieve Allaire Johnson, Esquire, representing the Department of Attorney General, Mr. Robert Griffith, representing the Department of Administration, and Mr. Thomas Barry. Also present were Messrs. Daniel Clarke and Rick Kalunian from the Department of Transportation; Mary Kay, Esquire and Ms Lisa Primiano and Mr. Joseph Dias from the Department of Environmental Management; Mr. Michael Walker from RIEDC, Rob Stolzman, Esquire, Counsel to RIEDC; Mr. Barry Gallup from J & D Realty and Alan Gelfuso, Esquire.

The Minutes of the meeting held on December 7, 2004 were approved.

1. OLD BUSINESS
2. NEW BUSINESS – Miscellaneous - The next meeting of the State Properties Committee is scheduled to be held on Tuesday, January 11, 2005.

The Chair, Mr. Williams wished everyone present Happy Holidays.

ITEM A – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Supplemental Agreement No. 1, United States Government and State of Rhode Island for lease of land at Quonset Point.

At the request of the Department, this matter was deferred to January 11, 2005.

ITEM B – DEPARTMENT OF TRANSPORTATION – A request was made for conceptual approval to convey property located at the intersection of Post Road, Jefferson Boulevard and Main Street, Warwick.

The Department was requesting to convey 27,707 square feet of land which is a remnant from the Greenwood Bridge project. This property was acquired by condemnation and is now deemed excess. Kingstown Road Associates has requested to

purchase this property for a Duncan Donuts franchise. Correspondence has been received from Kevin Nelson, Principal Planner, Statewide Planning which indicated that the conveyance of this parcel does not appear to conflict with any State Guide Plan elements. Correspondence has also been received from Rhode Island Housing indicating that it is interested in the property for the purpose of developing an affordable homeownership opportunity. The letter stated that Rhode Island Housing intends to enter into a partnership with a non-profit sponsor in order to develop this project.

The Department advised that this is not a buildable parcel of land. The property is commercially zoned and has no frontage and is only good to the abutter. The former owner will be notified.

A Motion was made by Mr. Robert Griffith and seconded by Mr. Thomas Barry to approve the request of the Department for conceptual approval to convey property located at the intersection of Post Road, Jefferson Boulevard and Main Street, Warwick,

Passed Unanimously

ITEM C – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on License Agreement with the City of West Warwick for signage at the West Warwick Industrial Park, Route 2, West Warwick.

The Town of West Warwick has requested to place a sign at the West Warwick Industrial Park, Route 2, West Warwick. This is to display the name of the West Warwick Industrial Complex. There is no fee for this License.

A Motion was made by Ms. Allaire Johnson and seconded by to Mr. Barry to approve the request of the Department for approval and signatures on License Agreement with the Town of West Warwick for signage at the West Warwick Industrial Park, Route 2, West Warwick

Passed Unanimously

ITEM D – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Temporary Use Agreement allowing the Department access to portions of India Point Park in conjunction with the Relocated Route 195 Project.

This Temporary Use Agreement is entered into with the City of Providence, Parks Department. This is in relation to the Route 195 Relocation Project, Contract 9. This will allow the Department to access portions of India Point Park. The improvements that the Department will be making are construed to be beneficial to the Park. There is no monetary compensation for this agreement.

Discussion took place regarding the improvements.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on Temporary Use Agreement allowing the Department access to portions of India Point Park in conjunction with the Relocated Route 195 Project.

Passed Unanimously

ITEM E – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on Fireworks License Agreement with Opening Night Newport Inc. for a fireworks display at Fort Adams State Park on December 31, 2004.

This is an Annual License Agreement for the City of Newport's New Year's Eve celebration at Fort Adams State Park on December 31, 2004.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Fireworks License Agreement

with Opening Night Newport Inc. for a fireworks display at Fort Adams State Park on December 31, 2004.

Passed Unanimously

ITEM G – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on Indenture of Lease with J & D Holdings LLC for Lots 254 and 255, Port of Galilee.

This is a new Lease for Lots 254 and 255 in the Port of Galilee. These two lots have been under a Lease with a business called American Mussel Harvesters. J & D Realty Holdings, LLC, a related entity to Rhode Island Engine Co. approached them about buying out the building which is in poor shape. The Town and the State have been trying to encourage sale of the building to an ongoing business that would support the fishing industry in the Port. Rhode Island Engine is already doing business in the Port. This will given them the needed room to expand. The Lease will provide for a term of five (5) years from January 1, 2005 to December 31, 2009, with seven (7) additional successive five-year options to renew. The rental amount for this Lease is \$7,293.00. There will be a provision in the Lease that provides that once the appraisal that is being done now is completed, the State will have the option of raising the rent to the current appraised value of the property. The Department has received liability insurance. The insured is Rhode Island Engine Company. A revised Certificate of Insurance will be provided naming both parties as the named insured.

Attorney Alan Gelfuso gave a brief history of the Rhode Island Engine Co. He explained that as part of estate planning, J & D Realty Holdings, LLC was formed. While the Lease is in the name of J & D, the tenant will be Rhode Island Engine under a Sub-lease.

A Motion was made Mr. Griffith by and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Indenture of Lease with J & D Holdings LLC for Lots 254 and 255, Port of Galilee. Approval was granted subject to receipt of revised Certificate of Insurance.

Passed Unanimously

ITEM F – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on Warranty Deed for acquisition, a Conservation Easement and Option for the Purchase of Real Estate owned by the Mount Tom Club in Exeter.

The Department displayed a map depicting the Arcadia Management Area and pointed to the Mount Tom Club property. The property is a critical inholding in the State's Arcadia Management Area and shares over 10,000 feet of common borders with the State property. The Department was requesting approval and signatures on three documents. One document is a Deed for purchase of 30 acres of property. The second request is for a Conservation Easement for the preservation for 131.6 acres of property owned by the Mount Tom Club. The final document is an Option to Purchase 156.6 acres of land in Exeter owned by the Mount Tom Club in Exeter. Purchase and Sale was approved by the State Properties Committee on February 10, 2004. The Purchase and Sale was in the amount of \$623,150.00. One Hundred Fifty (\$150.00) is to settle taxes. \$323,150.00 will come from State Open Space Bond Funds and the remaining \$300,000.00 will come from The Nature Conservancy.

A Motion was made by Mr. Barry and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on Warranty Deed, Conservation Easement, and Option for the Purchase of Real Estate owned by the Mount Tom Club in Exeter.

ITEM H – BRIEFING - DEPARTMENT OF ADMINISTRATION –  
ECONOMIC DEVELOPMENT CORPORATION – Garrahy Parking Garage.

Mr. Michael Walker, from the Economic Development Corporation and Rob Stolzman, Esquire, for the Economic Development Corporation gave a briefing on the proposed Garrahy Parking Garage.

Several months ago the Economic Development Corporation addressed the Committee regarding the need for a parking structure at the Garrahy Courthouse Complex. At that time discussion took place with respect to forming a group to study how the parking could be accommodated. A map was displayed depicting the area of the proposed parking garage. Mr. Walker pointed to a one acre parcel. This is a surface parking lot behind the Courthouse where it is envisioned to construct the garage.

Attorney Stolzman gave a synopsis. He stated that it became apparent to the group that there is a significant amount of needs that must be met for structured parking. The first is the current use which is for State parking for the Courthouse and the second is public parking for the Courthouse and State facilities. There is also a desire by the City of Providence to see structured parking in that area to help relieve traffic and also to assist the business facilities in that area. He went on to say that EDC has done due diligence and also there has been some inquiry from the State of a public/private partnership, perhaps some private sector participation. Attorney Stolzman stated it is EDC's recommendation to the State that public/private partnership be explored through a Request for Proposal process. EDC is recommending to the State that the Legislature authorize the EDC to take control of the property, eventually title to the property, and put an RFP out and at the appropriate time, after an RFP, enter into either a long term Lease or conveyance agreement that would fulfil the public/private partnership goals. Attorney

Stolzman explained that the reason to do it in this form would be that the Legislature would approve EDC's eventual control of the property which would give EDC the flexibility to either Lease or convey the property as market demands. State restrictions on State properties would require limitations on terms of Lease or certain other limitations on value. Since the State has the acre of land as an asset and is using it for parking, that could be established as the contribution by the State. At the same time it is recognized that certain State interests have to be protected, for example, the access to several hundred parking spaces for State purposes and that would be part of the RFP. Attorney Stolzman said that it is anticipated that the developer would meet three fundamental criteria. Besides the quality of the developer, there would be performance guarantees, etc., spaces would have to be made available for State use at predetermined rates; either at current rates or at rates acceptable to the State, and there would have to be a minimum number of spaces made available to the public. EDC would prepare and submit Legislation to the State to request to proceed in that manner and try to accomplish those goals.

Mr. Griffith referenced several articles regarding parking that he would send to EDC. He inquired about the necessity to ask the Legislature to grant the Executive Branch the authority to transfer the property, which the Executive Branch already controls, to the Port Authority. Attorney Stolzman stated that it is true that the Executive Branch can assign custody and control of the property to EDC, but as the State is the owner of the property, it is still subject to Title 37, the Transfer of State Property, if there is going to be a conveyance, or the Lease of the property in excess of twenty (20) years. The Legislature has passed Statutes that are still valid in terms of determining the process by which State assets can be disposed of. Lengthy discussion took place. It is anticipated that this project would take 24-36 months for completion and coordination with the

Courthouse. The Committee asked for an opportunity to review negotiations regarding the project. Discussion took place regarding the need to go forward with obtaining Legislative approval. The Chair, Mr. Williams stated that this is an early discussion regarding the project and suggested conceptual approval. The Chair said, now that we have the concept, let's move it forward with conceptual approval and come back with a draft of the RFP and have time to research whether or not Legislative approval is needed to convey the property.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Economic Development Corporation for conceptual approval to allow the Economic Development Corporation to return to the State Properties Committee with a plan of RFP for the Parking Garage at Garrahy, along with the additional details relative to the conveyance of the property.

Passed Unanimously

All matters presented to the Committee were approved by all present.

There being no further business to come before the Committee, the meeting adjourned at 11:10 A.M.

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Anne L. Lanni, Executive Secretary